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LOS ANGELES
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SALT LAKE CITY
TUCSON

February 24, 2016

Arizona Corporation Commission
DOCKETED

FEB 24 2016

BY HAND DELIVERY

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

W-20919A-16-0068

DOCKETED BY	
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Re: Application to transfer assets from Arizona Windsong Water Company to the Navajo Tribal Utilities Authority

To Whom it May Concern:

In Decision No. 75083, the Arizona Corporation Commission ("Commission") approved the transfer of assets from Arizona Windsong Realty, Inc. to Arizona Windsong Water Company ("Arizona Windsong"). The Decision also issued a Certificate of Convenience and Necessity ("CC&N") to Arizona Windsong in accordance with Commission Staff's recommendations that the Commission condition the CC&N upon Arizona Windsong's compliance with the past compliance requirements placed on Arizona Windsong Realty, Inc. by December 31, 2015. Staff further recommended that the Commission revoke Arizona Windsong's CC&N if Arizona Windsong did not timely satisfy the outstanding compliance requirements. Due to circumstances outside of Arizona Windsong's control, Arizona Windsong informed the Commission that it will not satisfy all of the above-mentioned compliance requirements by December 31, 2015. The Commission accordingly revoked Arizona Windsong's CC&N in Decision No. 75407 (Jan. 19, 2016).

The Navajo Tribal Utilities Authority ("NTUA") has indicated that NTUA is considering extending service to Arizona Windsong's customers. Although NTUA ultimately intends to use grant money to build a new distribution system, the NTUA would like to acquire Arizona Windsong's existing distribution system, and use the existing distribution system to deliver water from NTUA's water supplies. Arizona Windsong does not have access to an adequate water supply due to uranium contamination of its water supply; NTUA has access to uncontaminated water. Thus, the transfer of assets to NTUA is in the public interest.

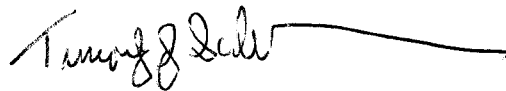
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Accordingly, Arizona Windsong requests authority from the Commission under A.R.S. § 40-285 to transfer its distribution system assets to NTUA. NTUA will provide service under its existing tariffs, which are attached as Exhibit A. In addition, NTUA will be requesting a one-time capital contribution of \$500.00 per customer, which can be paid in installments over two years. NTUA's draft letter to customers regarding the \$500.00 capital contribution is attached as Exhibit B.

Arizona Windsong does not have any main extension agreements. Arizona Windsong does not have any customer deposits to refund. Arizona Windsong requests that the Commission issue the approval as soon as possible so that the NTUA can proceed as soon as it is ready.

Very truly yours,

Snell & Wilmer

A handwritten signature in dark ink, appearing to read "Timothy J. Sabo", followed by a long horizontal line extending to the right.

Timothy J. Sabo

TJS:jh

Original and 13 Copies to Docket Control

cc: Lillie Paulsell

Laurie Woodall, Esq.

Matthew Laudone, Esq.

Exhibit A

NAVAJO TRIBAL UTILITY AUTHORITY UTILITY RATES

Water Rates

Residential Water Service

- **Availability**

Available to water customers of the Authority located along existing mains in the communities served by the Authority.

Applicability

Applicable to domestic water service to individual residences, separate dwelling units, and individually piped apartments where service is provided at one point of delivery through one meter.

Character of Service

Water for domestic, sanitary, and other purposes at suitable pressure for household use, subject to availability at the premises of adequate capacity and sized mains.

Net Monthly Rate

The monthly billing shall be the sum of the service charge and the usage charge set forth below:

<u>Service Charge</u>	<u>* Rate Code</u>	
1" or smaller meter	61	\$.89
2" or larger meter	62	25.74
 <u>Usage Charge</u>		
First 3,000 gallons	\$ 3.51 per 1,000 gallons	
All Additional gallons	5.44 per 1,000 gallons	

Monthly Minimum Charge

The minimum monthly charge shall be not less than the service charge.

Terms and Conditions

Subject to the Authority's rules and regulations for water service.

GENERAL WATER SERVICE

Availability

Available to water customers of the Authority located along existing mains in the communities served by the Authority.

Applicability

Applicable to commercial, industrial, public institutions, and all other classes of water use other than for strictly residential purposes only. All residences used for business, professional, or commercial purposes shall also be considered as General customers. Service shall be delivered through a single meter at one point of delivery, acceptable to the Authority.

Character of Service

Water for domestic, commercial industrial, sanitary, or other purposes at suitable pressure for the intended use, subject to availability at the premises of adequate capacity and sized mains.

Net Monthly Rate

The monthly billing shall be the sum of the service charge and the usage charge set forth below:

<u>Service Charge</u>	<u>* Rate Code</u>	
1" meter or smaller	64	\$ 26.91
2" meter	65	53.81
3" meter	66	98.27
4" meter	67	195.37
6" meter or larger	69	397.75
	79	Flat Rate
<u>Usage Charge</u>		
All Water		\$ 6.08 per 1,000 gallons

Monthly Minimum Charge

The minimum monthly charge shall be not less than the service charge.

Terms and Conditions

Subject to the Authority's rules and regulations for water service.

SPECIAL TEMPORARY WATER SERVICE**Availability**

Available to temporary customers where mains of adequate capacity and suitable pressure are in existence at the location to be served. Service hereunder is limited to a single fire hydrant considered suitable by the Authority.

Applicability

Applicable to construction needs and other temporary use, as determined by the Authority.

Character of Service

Water for domestic, sanitary and construction or other temporary uses, subject to availability of adequate supply.

Net Monthly Rate

The charge shown elsewhere in this schedule plus \$6.73 per 1,000 gallons.

Monthly Minimum Charge

The minimum charge shall be \$400.00 per service location per month.

Special Conditions

A. Service hereunder shall be made through a special meter furnished and installed by the Authority on the selected hydrant.

- B. Customer must use the gate valve furnished with the meter assembly and under no circumstances shall the hydrant valve be operated or tampered with by the customer.
- C. There shall be a \$200.00 one-time fee plus a discretionary \$300.00 meter deposit for private contractors to guarantee the return of such meter assembly to the Authority in an undamaged condition.
- D. The Authority retains the right in its sole discretion to impose a charge of \$300.00 per day for service hereunder from the day of initial service on the date of the last meter reading in the event the meter is broken or has been tampered with and such damage is not promptly reported to the Authority.
- E. Service hereunder is considered a non-essential use and in periods of short supply, service hereunder is subject to disconnection without notice to customer.
- F. A \$200.00 one-time fee shall be charged to tribal entities for meter installation.

Terms and Conditions

Subject to the Authority's rules and regulations for water service.

LIFE SUPPORT/SENIOR CITIZENS DISCOUNT PROGRAM **(RESIDENTIAL WATER SERVICE)**

Availability

Available to water customers of the Authority located along existing mains in the communities served by the Authority.

Applicability

Applicable to domestic water service billed under Rate Schedule WR-01 where the customer has otherwise qualified for the discounted rate as specified at Rule 26. The rate set forth herein shall supersede the discount at Rule 26. All provisions of the Residential Water Rate Schedule WR-01 will apply except as modified herein.

Net Monthly Rate

The monthly billing shall be in the accordance with Rate Schedule WR-01 except as follows:

<u>Service Charge</u>	<u>* Rate Code</u>	
1" or smaller meter	25	\$ -0-
2" or larger meter	26	\$ -0-
 <u>Plus:</u>		
<u>Usage Charge</u>		
First 3,000 gallons	\$ 3.16 per 1,000 gallons	
All Additional	\$ 4.90 per 1,000 gallons	

Monthly Minimum Charge

The minimum monthly charge shall be not less than the service charge.

Terms and Conditions

Subject to the Authority's rules and regulations for water service.

[Click Here](#) to download application. (PDF Format)

Exhibit B

(DATE)

(Participant)

(Address)

(Address)

(Address)

SUBJECT: Transfer of Assets - Arizona Windsong Water Company

Dear (Participant):

The Navajo Tribal Utility Authority (NTUA) supports and accepts the transfer of assets from Arizona Windsong Water Company. NTUA will commit to the acceptance of transfer, system operation and maintenance upon completion. NTUA intends to seek funding to rebuild and replace the aged system with a completely new system sometime in the near future.

NTUA is requesting customer participation in the amount of \$500.00 per participant. This one-time capital investment contribution can be paid over time with a payment arrangement of 1 or 2 years.

In the immediate interim, NTUA is purchasing the existing pipes – minus the contaminated well. We will connect the existing pipe network to our system and begin providing approved and tested clean drinking water that meets Navajo Nation EPA and Federal Drinking Water Standards.

Please concur your participation by returning this letter with your intent to participate. Do not send your payment at this time. Once we have heard from all participants, we will contact you again with appropriate paperwork to initiate this participation. Thank you.

Sincerely,

Rex P. Kontz, Deputy General Manager
NAVAJO TRIBAL UTILITY AUTHORITY

cc: Walter W. Haase, P.E., General Manager, Office of the General Manager
 Rayni Nelson, Assistant Manager, Office of the DGM
 Paula Holyan, Manager, Fort Defiance District

File/Chrono